



REPLY TO
ATTENTION OF

217990

DEPARTMENT OF THE ARMY
UNITED STATES ARMY LEGAL SERVICES AGENCY
901 NORTH STUART STREET
ARLINGTON VA 22202-1837

JUL 16, 2009

Regulatory Law and IP Division
U 4191

Steven W. Hamm
Counsel for Frontier, Verizon et al.
Richardson Plowden and Robinson, P.A.
Post Office Drawer 7788
Columbia, SC 29202

Subject: DoD/FEA's First Data Requests to Joint Applicants (Frontier and Verizon et al., Docket No. 2009-220-C)

Dear Mr. Hamm:

Attached please find DoD/FEA's First Data Requests to Joint Applicants on behalf of the United States Department of Defense and All Other Federal Executive Agencies (DoD/FEA). A Certificate of Service is appended to the document. Copies of this document are being sent in accordance with the Certificate of Service. Inquiries to this office regarding this proceeding should be directed to the undersigned at (703) 696-2852. Thank you for your cooperation and assistance in this matter.

Sincerely,

TERRANCE A. SPANN

Attorney,
Regulatory Law and Intellectual
Property Division (JALS-RL)
U.S. Army Legal Services Agency
Department of the Army
901 N. Stuart Street, Suite 700
Arlington, VA 22203-1837
Email Terrance.Spann@hoda.army.mil
Telephone: (703) 696-2852 /Fax: (703) 696-2960

Attachment

First Data Requests, Dated 16 July 2009

Cc: Mr. Terreni, Chief Clerk and Administrator SCPSC

**THE PUBLIC SERVICE COMMISSION
STATE OF SOUTH CAROLINA**

RECEIVED
PUBLIC SERVICE
COMMISSION
JAN 22 2010

Joint Application of Frontier
Communications Corporation, Verizon
South, Inc. et al. for Approval of the Sale of
Assets and The Transfer of Authority and
Certification

Docket No. 2009-220-C

FIRST DATA REQUESTS

to

**FRONTIER COMMUNICATIONS CORPORATION, VERIZON SOUTH, INC. ET AL.,
AKA JOINT APPLICANTS**

by

**THE UNITED STATES DEPARTMENT OF DEFENSE AND
ALL OTHER FEDERAL EXECUTIVE AGENCIES**

General Instructions

1. The attached document and information requests call for information which relates to the subject matter of the requests, and which is known or available to the recipient, or to any individual sponsoring testimony or participating in the studies sponsored by Frontier Communications Corporation or Verizon South, Inc. or their respective subsidiaries in this proceeding. Please forward all responses to my consultant at the following address:

Mr. Harry Gildea
Snavelly King & Majoros O'Connor & Bedell, Inc.
1111 14th Street N. W. Suite 300
Washington DC 20005
Email hgildea@snavelly-king.com
Telephone: (202) 371-0604/Fax: (202) 842-4966

2. Respond fully to each data request on a separate page(s), reiterating first the question being addressed. For each response indicate the date the response was prepared and provide the name, position, and telephone number of the individual who prepared the response and identify the sponsoring witness, if different than the preparer. If a request has separate parts, a complete response is requested for each.
3. The attached document and information requests call for all information which relates to the subject matter of the requests, and which is known or available to the recipient, or to any individual sponsoring testimony or participating in the studies sponsored by Joint Applicants in this proceeding.
4. All responses to these requests should be amended when Joint Applicants, whether Officers, employees, agents, representatives, attorneys or its consultants in this proceeding, obtains (or becomes aware of) information upon the basis of which (a) Joint Applicants determines the original response was incorrect when made, or (b) knows the original response was correct when made but is no longer accurate. These requests are continuing in nature so as to require supplemental responses in light of such pertinent facts, documents, or revised, updated or additional information.
5. If the information is not available in the precise form requested, please provide the available information that best meets the request, and note the variance in the response.
6. With respect to data requests which reference, or seek the production or identification of documents, the term "document" should be construed in the broadest possible sense and means any tangible thing, recording and reproduction, whether visual, auditory, electronic or digital, whether in final or draft form, in Joint Applicants' (whether Directors, Officers, employees, servants, agents, representatives, attorneys or its consultants in this proceeding, whether former or current) possession, control, or custody, including, without limiting the generality of its meaning, any correspondence, email, pleadings, reports, depositions, personal memoranda, memoranda to files, memoranda (whether intra- or inter- office), drawings, prints, graphs, charts, photographs, phonographs, notes, studies, valuations, analyses, reports (whether expert or otherwise), reviews, working papers, books, notes, telegrams, pamphlets, video or audio tapes, voice or digital recordings, computer tapes, memory, printouts, cards or information stored in a computer, microfilms, microfiches, and any papers or items on which words have been written, printed, typed, or otherwise affixed, and shall mean a copy when the original is not in the possession, control, or custody of Joint Applicants, and shall mean every copy of every document when such a copy is not an identical copy of an original.
7. **If Joint Applicants does not understand, is unable to answer, believes either the request too burdensome or the response too voluminous to produce, or objects to any request transmitted herein, please have Joint Applicants' counsel contact the undersigned DoD/FEA trial counsel at the**

earliest convenience so that an attempt to achieve a reasonable accommodation may be made.

8. If any document covered by these requests is withheld, the response should identify each such document and the reasons constituting the basis for withholding the document.
9. In the event there is an objection to any data request, each objection should be timely communicated in writing, specifying fully the nature and all underlying rationale of each such objection.

**THE PUBLIC SERVICE COMMISSION
STATE OF SOUTH CAROLINA**

Joint Application of Frontier
Communications Corporation, Verizon
South, Inc. et al. for Approval of the Sale of
Assets and The Transfer of Authority and
Certification

Docket No. 2009-220-C

FIRST DATA REQUESTS

of

**THE UNITED STATES DEPARTMENT OF DEFENSE AND
ALL OTHER FEDERAL EXECUTIVE AGENCIES**

TERRANCE A. SPANN
Chief

Regulatory Law and Intellectual Property Division
Office of the Judge Advocate General
Department of the Army
U.S. Army Litigation Center
901 N. Stuart Street, Suite 713
Arlington, Virginia 22203-1837

July 16, 2009

THE PUBLIC SERVICE COMMISSION
STATE OF SOUTH CAROLINA

Joint Application of Frontier
Communications Corporation, Verizon
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THE UNITED STATES DEPARTMENT OF DEFENSE AND
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- DOD/FEA 1-1 Identify all currently effective conditions or obligations placed on Verizon or any of its affiliates operating in South Carolina by order of the South Carolina Public Service Commission.
- DOD/FEA 1-2 For each condition or obligation in response to DOD/FEA 1-1, identify the docket number, style of the case, and date of the final order for the proceeding in which the Commission placed the condition or obligation.
- DOD/FEA 1-3 Identify all commitments to the South Carolina Public Service Commission by Verizon or any of its affiliates operating in South Carolina regarding the rates, terms or conditions of service to retail or wholesale customers.
- DOD/FEA 1-4 For each commitment in response to DOD/FEA 1-3, specify the docket number, style of the case and date of the South Carolina Public Service Commission order setting forth the commitment. If the

commitment is not set forth in a Commission order, identify and provide a copy of the document memorializing the commitment.

- DOD/FEA 1–5 Provide a complete copy of each order, memorandum, letter, or directive of the South Carolina Public Service Commission to Verizon South, Verizon Long Distance, or Verizon Enterprise Solutions since July 1, 2004 regarding the quality of their telecommunications services in South Carolina.
- DOD/FEA 1–6 Provide a copy of each Verizon response to the memoranda, letters, or directives identified in response to DOD/FEA 1–5.
- DOD/FEA 1–7 Provide a complete copy of each annual report submitted since July 1, 2004, to the South Carolina Public Service Commission by Verizon South, Verizon Long Distance, Verizon Enterprise Solutions, or Verizon Communications (consolidated).
- DOD/FEA 1–8 Provide a complete copy of each report submitted since July 1, 2004 to the South Carolina Public Service Commission describing the quality of services provided by Verizon South, Verizon Long Distance, or Verizon Enterprise Solutions.
- DOD/FEA 1–9 List all counties in South Carolina in which Verizon South, Verizon Long Distance, or Verizon Enterprise Solutions currently has subscribers for its services.
- DOD/FEA 1–10 List all South Carolina exchanges in which Verizon South, Verizon Long Distance, or Verizon Enterprise Solutions currently has subscribers for its services. For each listed exchange, specify:
- a. County where the exchange is located;
 - b. Number of lines to residence customers on December 31, 2008;
 - c. Number of lines to business customers on December 31, 2008;

- d. Total gross revenues from residence customers in 2008;
- e. Total gross revenues from business customers in 2008;
- f. Number of customers of Verizon Long Distance on December 31, 2008;
- g. Total gross revenues from Verizon Long Distance customers in 2008;
- h. Number of customers for Verizon Enterprise Solutions on December 31, 2008; and
- i. Total gross revenues from Verizon Enterprise Solutions customers in 2008.

DOD/FEA 1–11 Provide a complete copy of each of the following reports submitted under the FCC’s Automated Reporting Management Information System (“ARMIS”) by Verizon South or any Verizon affiliate regarding its operations in South Carolina in 2007 and 2008: FCC Report 43–01 (Annual Summary); FCC Report 43–05 (Service Quality); FCC Report 43–06 (Customer Satisfaction); and FCC Report 43–08 (Operating Data).

DOD/FEA 1–12 Provide a complete copy of each of the following reports submitted under the FCC’s Automated Reporting Management Information System (“ARMIS”) by Frontier Communications or any telecommunications carrier affiliated with Frontier Communications in 2007 and 2008 for their operations in each of the 14 states where the joint applicants are proposing to transfer control from Verizon: FCC Report 43–01 (Annual Summary); FCC Report 43–05 (Service Quality); FCC Report 43–06 (Customer Satisfaction); and FCC Report 43–08 (Operating Data).

- DOD/FEA 1–13 Provide a complete copy of each report submitted separately or jointly by Verizon Communications and Frontier Communications to the Federal Communications Commission, the Securities and Exchange Commission, or any other federal agency, regarding the proposed transfer of control.
- DOD/FEA 1–14 Provide all Ratings Reports regarding Frontier Communications or any of its affiliated firms issued by Moody's, Standard & Poors, or Fitch Ratings since July 1, 2006.
- DOD/FEA 1–15 Provide all reports by securities analysts regarding Frontier Communications or any of its affiliated firms issued since July 1, 2008, which are currently in the possession of the company.
- DOD/FEA 1–16 At page 9 of the Joint Application, parties state, "Frontier will use the same operational systems — such as ordering and billing systems — that Verizon uses today to provide service."
- a. Specify the geographical location of the billing activity that Verizon South now employs for services to mass market end user customers in South Carolina.
 - b. Specify the geographical location of the billing activity that Verizon South now employs for services to Enterprise end user customers in South Carolina.
 - c. Specify the geographical location of the billing activity that Verizon South now employs for services to other carrier customers in South Carolina.
 - d. Specify the anticipated geographical location of the billing activity that Frontier will employ for services to mass market end user customers in South Carolina.

- e. Specify the anticipated geographical location of the billing activity that Frontier will employ for services to Enterprise end user customers in South Carolina.
- f. Specify the anticipated geographical location of the billing activity that Frontier will employ for services to other carrier customers in South Carolina.
- g. Describe any anticipated changes in the billing activity associated with the proposed transfer of control.

DOD/FEA 1–17 At page 9 of the Joint Application, parties state, “Frontier will use the same operational systems — such as ordering and billing systems — that Verizon uses today to provide service.”

- a. Specify the geographical location of the ordering activity that Verizon South now employs for services to mass market end user customers in South Carolina.
- b. Specify the geographical location of the ordering activity that Verizon South now employs for services to Enterprise end user customers in South Carolina.
- c. Specify the geographical location of the ordering activity that Verizon South now employs for services to other carrier customers in South Carolina.
- d. Specify the anticipated geographical location of the ordering activity that Frontier will employ for services to mass market end user customers in South Carolina.
- e. Specify the anticipated geographical location of the ordering activity that Frontier will employ for services to Enterprise end user customers in South Carolina.

- f. Specify the anticipated geographical location of the ordering activity that Frontier will employ for services to other carrier customers in South Carolina.
- g. Describe any anticipated changes in the ordering activity associated with the proposed transfer of control.

DOD/FEA 1–18 Describe all changes in the content, frequency, or appearance of bills for services to mass market end user customers anticipated with the proposed transfer of control.

DOD/FEA 1–19 Describe all changes in the content, frequency, or appearance of bills for services to Enterprise end user customers anticipated with the proposed transfer of control.

DOD/FEA 1–20 Describe all changes in the content, frequency, or appearance of bills for services to other carrier customers anticipated with the proposed transfer of control.

DOD/FEA 1–21 Provide quarterly financial statements for all joint applicants, including profit and loss statement and balance sheets, for 2006, 2007, 2008 and year-to-date 2009. If quarterly data are not available, provide the most granular substitute, such as annual data, in the possession of the company. Joint applicants include Frontier Communications Corporation, New Communications of the Carolinas, Inc., New Communications On-line and Long Distance, Inc., Verizon South, Inc., Verizon Long Distance L.L.C., and Verizon Enterprise Solutions L.L.C.

DOD/FEA 1–22 Provide all existing internal forecast financial statements, including annual profit and loss statements and balance sheets for 2009, 2010, and 2011, for all joint applicants as listed in DOD/FEA 1–21.

DOD/FEA 1–23 For all joint applicants as listed in DOD/FEA 1–21, provide quarterly data for all periods since the quarter commencing July 1, 2006 for each of the following service metrics.

- a. Number of business access lines;
- b. Number of residential access lines;
- c. Total number of installs;
- d. Total number of disconnects;
- e. Number of high–speed Internet subscribers; and
- f. Total average revenue per access line.

If quarterly data are not available for any metric, provide the most granular substitute, such as annual data, in the possession of the company.

DOD/FEA 1–24 Describe how competitive market conditions, regulatory constraints, and technological risks have been considered in developing the forecasts provided in response to DOD/FEA 1–22.

DOD/FEA 1–25 Identify all business operations and organizational functions not included in New Communications Holdings, which prevent that entity from operating as an independent company.

DOD/FEA 1–26 Describe the billing systems currently used by Frontier Communications for local exchange services in each of the states where Frontier will receive additional customers because of the proposed transfer of control.

DOD/FEA 1–27 Identify all significant differences between the billing and ordering systems that Frontier Communications will use for local exchange services provided to its customers in South Carolina and the billing or ordering systems in all states where Frontier will operate after the proposed transfer of control.

- DOD/FEA 1–28 Paragraph 10 of the Joint Application states, “Immediately following completion of the Transaction, Verizon’s end user customers will continue to receive substantially the same services, service rates, and service terms and conditions as immediately prior to the Transaction.”
- a. In view of the qualifier “substantially the same” describe in detail all anticipated changes in services, service rates, and service terms and conditions for the period immediately after the Transaction.
 - b. Describe in detail all planned changes in services, service rates, and service terms and conditions anticipated up to four years after the Transaction.
- DOD/FEA 1–29 Describe all pricing plans for local exchange services that Verizon South currently offers in South Carolina. Also, provide references to currently effective South Carolina tariff sections for all tariffed services.
- DOD/FEA 1–30 With reference to the response to DOD/FEA 1–29, describe all anticipated changes in pricing plans for South Carolina services after the proposed transfer of control. Also, provide any existing drafts of new tariffs reflecting the anticipated changes in the pricing plans.
- DOD/FEA 1–31 Describe how the joint applicants anticipate funding future stock dividends in view of expected revenue trends and joint applicants’ plans for expanded deployment of broadband and video services.
- DOD/FEA 1–32 Describe how intercarrier connection charges imposed by joint applicants will change as a result of the transfer of control.
- DOD/FEA 1–33 With reference to the response to DOD/FEA 1–32, provide any studies which estimate the total dollar amount of anticipated changes in connection charges.

DOD/FEA 1–34 Describe how wholesale charges for services and facilities provided to competitive local exchange carriers by the joint applicants will change as a result of the transfer of control.

DOD/FEA 1–35 With reference to the response to DOD/FEA 1–34, provide any studies which quantify and justify the anticipated changes in wholesale charges for services and facilities provided to competitive local exchange carriers.

DOD/FEA 1–36 With reference to the discussion at paragraph 26 of the Joint Application:

- a. Describe how Frontier plans to expand broadband connections to 90 percent of its newly acquired customers after the proposed transfer of control in South Carolina.
- b. Specify the anticipated time frame for this expansion.
- c. Describe all sources of funding for this expansion.

DOD/FEA 1–37 With reference to the response to DOD/FEA 1–36, specify the level of funding that Frontier will require from Federal government rural broadband initiatives in order to finance the expanded high speed Internet service penetration.

DOD/FEA 1–38 Identify all contracts or commitments that Verizon has with or to federal customers in South Carolina. Specify the federal agency, and state the term of the contract or commitment.

DOD/FEA 1–39 For each contract or commitment identified in response to DOD/FEA 1–38:

- a. State how Frontier will satisfy the contract or commitment terms.
- b. Identify any terms which Frontier will not attempt to satisfy and explain why Frontier plans to deviate from the terms.

DOD/FEA 1–40 Provide the following information with respect to the costs of the proposed transfer of control:

- a. State whether or not any of the joint applicants will attempt to recover all or part of the costs of the transfer from ratepayers.
- b. If all or part of the total anticipated costs of the transfer are to be recovered from ratepayers, provide joint applicants' best estimate of the dollar amount of the costs to be recovered from this source, and provide supporting workpapers.
- c. Explain whether and how Verizon and Frontier are currently accruing costs for the transfer on their regulated books.
- d. Describe any anticipated changes in the accrual methodology specified in response to part c of this question.

DOD/FEA 1–41 Provide the following information with respect to the funding received by joint applicants under federal and state universal service programs:

- a. Specify the amount of funding which each of the joint applicants is currently receiving (pre-transfer) for each of the programs (high-cost area, schools and libraries etc.)
- b. Specify the amount of funding which each of the joint applicants will receive post-transfer for each of the programs.

.DOD/FEA 1–42 The Joint Application at page 11, paragraph 23 states, "Verizon will fund programs for the pre-closing service of employees moving to Frontier." Will the proposed funding for the transferred employees be fully funded utilizing a current actuarial study?

- a. If yes: Provide the corresponding actuarial study, supporting workpapers and calculations used to determine the amount of pension funding associated with transferred employees.

- b. If no: Provide the methodology, workpapers, and calculations used to determine the amount of pension funding associated with transferred employees.

DOD/FEA 1–43 Are all deferred compensation agreements (e.g. Other Post Employment Benefits “OPEB”) for transferred employees fully funded?


- a. If yes: Are they funded utilizing a current actuarial study?
- 1) If yes: Provide the corresponding actuarial study, supporting workpapers and calculations used to determine the amount of funding associated with transferred employees.
 - 2). If no: Provide the methodology, workpapers, and calculations used to determine the amount of funding associated with transferred employees.
- b. If no:
- 1) Explain why it is not fully funded.
 - 2) Provide joint applicants’ best estimate of the amount of the unfunded liability transferred to Frontier.
 - 3) Explain how the amount in part 2) has been calculated.
 - 4). Explain how joint applicants plan to cover the unfunded liability.

DOD/FEA 1–44 Please provide a complete copy of each response by any or all of the joint applicants to all data requests propounded by a party to this proceeding. This is a continuing request covering joint applicants’ responses to requests propounded throughout the duration of the proceeding.

CERTIFICATE OF SERVICE

I hereby certify that on 16 July 2009, I served a copy of the foregoing document, together with this Certificate of Service, upon the following parties, by causing a copy hereof to be delivered by United States, postage prepaid mail or electronically mailed and properly addressed to each such party.

Executed July 16, 2009, at Arlington, Virginia.


TERRANCE A. SPANN
Attorney for DOD/FEA

RECEIVED
2009 JUL 20 AM 1:00
U.S. SERVICE
DIVISION

Service List For Docket 2009-220-C

Summary: Joint Application of Frontier Communications Corporation, New Communications of the Carolinas, Incorporated, New Communications Online and Long Distance, Incorporated, Verizon South, Incorporated, Verizon Long Distance, LLC and Verizon Enterprise Solutions, LLC for Approval of the Sale of Assets and the Transfer of Authority and Certificates

Industry: Telecommunications

Opened: 6/01/09

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